PROJECT AGREEMENT

To: Mr. Philip J. Weiss
Weiss/Watson
1140 Avenue of the Americas
New York, New York 10017

From: Ms. Michelle Salzman
Philip Morris Incorporated
120 Park Avenue
New York, New York 10017

Dear Mr. Weiss:

This Project Agreement is entered pursuant to the Agreement dated as of the 1st day of January, 1992 ("Agreement") by and between Weiss/Watson and Philip Morris Incorporated ("Philip Morris"). It sets forth the terms and conditions under which Weiss/Watson will perform video production services beginning as of the 1st day of April, 1992 and continuing through the later of completion of the project or April 24, 1992.

1. Weiss/Watson will perform the following services in connection with the production of five versions of a **Marlboro Medium 100s** video.

(a) Prepare a script for the video and deliver the script and storyboards to Philip Morris, for its advance approval, on or before April 13, 1992.

(b) Produce five versions of the approved video featuring one Philip Morris Regional Vice President of Sales in the final module of each version of the video.

(c) Deliver five versions of the video, in a form satisfactory to Philip Morris, on or before April 24, 1992.

2. In full and complete consideration for the services rendered and expenses incurred by Weiss/Watson in connection with the Project, Philip Morris will pay Weiss/Watson in accordance with the budget attached as Exhibit A upon Weiss/Watson's complete performance, including delivery of the videos, to the reasonable satisfaction of Philip Morris. The total payment will not exceed $134,450.

3. Weiss/Watson will deliver to Philip Morris itemized invoices for all amounts to be paid pursuant to this Project Agreement. Philip Morris will pay all undisputed amounts due within thirty days of receipt of the invoice. Expenses in excess of $25 must be submitted with receipts. Expenses in excess of $250 which are not included in Exhibit A must be approved in advance by Philip Morris.

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4. This Project agreement will last until completion of the Project. Philip Morris may terminate the Project Agreement upon written notice at any time with or without cause. If Philip Morris terminates the Project Agreement without cause, Philip Morris will pay Weiss/Watson for all services rendered on the Project prior to termination within thirty days of Philip Morris' receipt of documents reflecting the number of hours spent and activities undertaken by Weiss/Watson in order to perform its obligations under this Project Agreement, the regular hourly billing rate for each of Weiss/Watson's personnel who performed tasks relating to this Project Agreement, and all records reflecting expenses incurred by Weiss/Watson in connection with the Project Agreement.

5. The Project Agreement may be amended only by a Project Change notice submitted to Philip Morris for its advance approval and signed by both parties.

6. This Project Agreement is subject to the terms and conditions of the Agreement. In the event of conflict between the provisions, the Agreement will prevail.

If the foregoing accurately sets forth our Agreement, please signify your acceptance and agreement by signing the enclosed copy of this Project Agreement and returning it to the undersigned.

Very truly yours,

PHILIP MORRIS INCORPORATED

By: _____

Title: _____

ACCEPTED AND AGREED AS OF THE
DATE OF THIS PROJECT AGREEMENT:

WEISS/WATSON

By: _____

Title: _____

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PHILIP MORRIS U.S.A.
MARLBORO MEDIUM 100'S VIDEO
VERSION I
BUDGET ESTIMATE
MARCH 31, 1992

Management Fee	$18,000
Production Personnel Includes Producer/Director, Production Manager, Production Assistant	14,000
Scriptwriting Includes Executive Interviews	9,300
Visual Design and Storyboarding	2,000
Video Shooting Includes 2 Days of Shooting on Ranch, 1 Day Studio Shoot with Teleprompter, Stylist, Make-Up, Tape Stock	19,200
Soundtrack Includes Music Search, Music License, Video Sweetening, Tape Stock, Reels, etc.	2,450
Editing Includes Off-Line Edit, On-Line Editing, Slide Transfers, Chyron, Digital Effects, Tape Stock, Dubs	15,200
Settings Includes Location Rental, Backdrops, Props	4,100
Talent Includes On-Camera Spokesperson, Wrangler with Horse, Casting, Agent/Union Fees	3,400
Miscellaneous Includes Catering, Messengers, Trucking, N.Y. Cabs, Fedex, etc.	4,500

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Weiss\Watson

Travel Includes Airfare for Four (4) to Arizona, Hotel, Per Diem, Ground Transportation, Location Scouting.	$ 7,900
TOTAL:	**$100,050***

*Does not include any applicable taxes.

Weather Contingency: If shooting on location is delayed due to weather, there will be a cost of $5,000-$7,000 per day of delay.

OPTION

Video Shoot of 5 V.P.'s Includes 5 Days of Video Shooting With Teleprompter, Additional Editing of 5 Masters, Second Location Director, Make-Up	$28,600
Travel to 5 Locations Includes Airfare, Hotel, Per Diem, Ground Transportation	5,800*

* Travel costs are an estimate. Actual cost to be determined based on locations.

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1380
39400
39

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